

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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DEBORAH DONOGHUE,)

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Plaintiff,)

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- against -)

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LOCAL.COM CORPORATION and HEARST
COMMUNICATIONS, INC.,)

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)
Defendants.)
)
)

Case Number: 07 CIV. 8550 (LBS)

**DECLARATION OF WILLIAM
WARGO IN SUPPORT OF
DEFENDANT HEARST
COMMUNICATION INC.'S
MOTION FOR SUMMARY
JUDGMENT**

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WILLIAM WARGO, an attorney duly admitted to practice law in the courts of the United States District Court of the Southern District of New York, hereby declares, under penalty of perjury, that:

1. I am an associate at the law firm of Greenberg Traurig, LLP, attorney for Defendant Hearst Communications, Inc. ("Hearst") in this action. I submit this declaration in Support of Defendant Hearst's Motion For Summary Judgment, pursuant to Fed. R. Civ. P. 56.

2. Attached are true and correct copies of the following documents:

A. Attached as Exhibit A is a true and correct copy of the First Amended Complaint filed in this action by Plaintiff, dated December 3, 2007.

B. Attached as Exhibit B is a true and correct copy of the Complaint filed in this action by Plaintiff, dated October 2, 2007.

C. Attached as Exhibit C are true and correct copies of the cited pages from the deposition of Defendant Local.com Corporation ("Local.com") CFO Douglas Norman ("Norman Deposition"), commenced on May 15, 2008.

D. Attached as Exhibit D is a true and correct copy of the Securities Purchase Agreement (“SPA”) between Local.com and listed investors, dated July 31, 2007, as produced by Local.com, Bates Numbered LCL 000138 - 000176.

E. Attached as Exhibit E are true and correct copies of the email from Derek Dundras to Rushika Kumararatne, dated July 31, 2007 at 3:55 p.m., with “Subject: FW: LOCM Deal Signature Pages,” as produced by Local.com, Bates Numbered LCL 000257 - 000260 and the email from William Cassin to Rushika Kumararatne, dated July 31, 2007 at 3:55 p.m., with “Subject: Hudson Signature Pages,” as produced by Local.com, Bates Numbered LCL 000281 - 000285, both attaching executed signature pages to the SPA.

F. Attached as Exhibit F is a true and correct copy of the July 31, 2007 Local.com Board Minutes and all exhibits attached thereto, as produced by Local.com, Bates Numbered LCL 000432 - 000438.

G. Attached as Exhibit G is a true and correct copy of the “Incoming wire-Advice of Credit,” with a transaction date of 08/01/2007, as produced by Local.com, Bates Numbered LCL 000042, Ex. 11 to the Norman Deposition.

H. Attached as Exhibit H are the true and correct copies of the email from Derek Dundas to Rushika Kumararatne, dated July 31, 2007 at 4:10 p.m., with “Subject: FW: Hearst/Local.com - Execution Version of Consent,” and attaching the Consent to Equity Sales by Hearst Communications, as produced by Local.com, Bates Numbered LCL 000266 - 000269.

I. Attached as Exhibit I is a true and correct copy of the July 5, 2007 Local.com Board Meeting Packet, as produced by Local.com, Bates Numbered LCL 000376 - 000390.

J. Attached as Exhibit J is a true and correct copy of the Form 8-K of the Local.com Corporation, dated August 1, 2007, Exhibit 10 to the Norman Deposition.

K. Attached as Exhibit K is a true and correct copy of the email from David Katzoff of Local.com to Rich Tilton of U.S. Stock Transfer Corporation, dated August 1, 2007 at 9:46 a.m., with "Subject: Local.com Issuance Letter" and attaching an "Issuance Letter" dated August 1, 2007, as produced by Local.com, Bates Numbered LCL 000021 - 000024, Exhibit 3 to the Norman Deposition.

L. Attached as Exhibit L is a true and correct copy of the email from David Katzoff of Local.com to Rich Tilton of U.S. Stock Transfer Corporation, dated August 1, 2007 at 1:45 p.m., with "Subject: Local.com stock issuance," as produced by Local.com, Bates Numbered LCL 000031, Exhibit 4 to the Norman Deposition

M. Attached as Exhibit M is a true and correct copy of the letter from Plaintiff's counsel David Lopez to the Honorable Leonard B. Sand, dated June 17, 2008, Re: "Donoghue vs. Local.com and Hearst Communications, Inc., 07 CV 8550 (LBS)."

N. Attached as Exhibit N is a true and correct copy of Local.com's NASDAQ Stock Market Notification Form, as produced by Local.com, Bates Numbered LCL 000066 - 000075, Exhibit 8 to the Norman Deposition.

O. Attached as Exhibit O is a true and correct copy of Hearst's SEC Form 4 Statement of Changes in Beneficial Ownership, listing common stock transactions on July 24 and 25, 2007.

P. Attached as Exhibit P is a true and correct copy of Local.com's SEC Form 10-Q, dated August 7, 2007.

Q. Attached as Exhibit Q is the true and correct copy of page 100 of the Romeo & Dye Section 16: Securities and Exchange Act of 1934, Treatise and Reporting Guide (2d ed. 2004).

R. Attached as Exhibit R is a true and correct copy of the Stipulated Letter, dated June 23, 2006, endorsed by the Honorable Leonard B. Sand on June 26, 2006.

S. Attached as Exhibit S are true and correct copies of all motion, opposition and reply papers relating to Heart's Motion for Judgment on the Pleadings.

3. At the hearing on March 13, 2008, on Hearst's Motion for Judgment on the Pleadings, the Court continued the hearing, and ordered that Hearst and Plaintiff were allowed to take discovery on the timing of Local.com's sale of shares to third-party investors pursuant to the SPA.

Date: July 16, 2008
New York, New York

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